



The N.C. Department of Transportation is moving forward to improve 26 miles of the I-77 corridor from Uptown Charlotte to the Lake Norman area. NCDOT has signed a contract with Cintra to construct this project through a joint venture with F.A. Southeast, W.C. English, and the lead design firm of The Louis Berger Group.

The Public-Private Partnership (P3) leverages new funding sources to lessen financial impact to the state and completes projects faster through investments by a private firm. Cintra will invest the majority of the \$655 million to design, build, operate and maintain the managed lanes project in exchange for toll revenue generated from the lanes. NCDOT will invest \$88 million toward the project, which is significantly less than the \$170 million it had projected.

This funding solution enables the project to be completed by 2018, instead of relying on traditional funds to make piecemeal improvements over the next 20 years.

The I-77 managed lanes project proposes to add capacity to the corridor between I-277 (Exit 11) in Charlotte and N.C. 150 (Exit 36) in Iredell County in three sections:

- **Southern Section:** extending from I-277 near Tryon Street to I-77 North for approximately two miles, and along I-277 from I-77 North to Brevard Street. A flyover bridge will provide direct access between I-77 and I-277. Current HOV lanes will be converted to managed lanes, and a second managed lane will be constructed, totaling two managed lanes in each direction.
- **Central Section:** extending from I-85 (Exit 13) to Catawba Avenue (Exit 28) in Cornelius. This includes converting the existing HOV lanes to managed lanes, providing two managed lanes in each direction.
- **Northern Section:** continuing from Exit 28 approximately nine miles to N.C. 150 (Exit 36) in Iredell County. One managed lane will be built in each direction.



## Managed Lanes

This project offers drivers an option—continue using the existing general purpose lanes for free, or pay a toll to enter and exit the managed lanes at various points to avoid congestion. Motorists using the managed lanes will reduce congestion for those choosing to stay in the general purpose lanes.

Drivers with three or more occupants can use the managed lanes for free, as can motorcycles, buses and emergency vehicles. Toll prices will vary, based on time of day and traffic volumes.

Toll prices have not been set for the managed lanes. In accordance with the contract and state law, Cintra will conduct public hearings as part of developing the rates.

## Commitment to Due Diligence

NCDOT strived to engage the community, state and local leaders over the past two years to ensure this project is the most effective long-term solution to an immediate need in this critical corridor in the following ways:

- More than a dozen public hearings, meetings and workshops were held;
- More than 40 meetings included mayors, town and city leaders, officials and staff from the CRTPO (Charlotte Regional Transportation Planning Organization), local legislators, business forums, and the Lake Norman Transportation Commission (LNTC);
- Contract documents related to the bidding process have been posted online and regularly updated since March 2013;
- The State Treasurer's Office has been provided the agreement prior to execution and has reviewed key financial provisions;
- The Local Government Commission (including State Treasurer, State Auditor, Secretary of State, Secretary of Revenue) approved a resolution allowing the project to move forward;
- In compliance with state law, NCDOT submitted reports to the Joint Legislative Transportation Oversight Committee, Joint Legislative Commission on Governmental Operations and Chairs of the Transportation Appropriation Committees;
- The USDOT TIFIA office, lenders and other stakeholders have reviewed the contract and will continue to do so until financial close later this year; and
- Several attorneys, including the N.C. Attorney General's Office have reviewed documents, issuing favorable legal opinions for the I-77 managed lanes project.

The project is bonded to ensure completion, and the debt is backed by toll revenues. Should the company default on the contract for any reason, the state will get the project for 50–60 cents on the dollar along with all future toll revenues.

If revenues fall significantly short of project estimates, the state could contribute up to \$75 million over the 50-year contract term. Even if the entire \$75 million is used, the projected public contribution is less than the \$170 million initial public contribution previously anticipated.

## Contact

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